

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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W-03655A
Cactus-Stellar Limited
12625 W. Cactus Ridge
HCR #2, Box 469
Tucson AZ 857350000

RECEIVED

APR 26 2005

ANNUAL REPORT

FOR YEAR ENDING

12	31	2004
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FOR COMMISSION USE

ANN04	04
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COMPANY INFORMATION

Company Name (Business Name) Cactus Stellar Limited

Mailing Address HCR 2, Box 469
(Street)
Tucson AZ 85735
(City) (State) (Zip)

520-822-2214 520-331-7962
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address tutors2@earthlink.net

Local Office Mailing Address HCR 2, Box 469
(Street)
Tucson AZ 85735
(City) (State) (Zip)

520-822-2214 520-331-7962
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Mike Gallego President
(Name) (Title)

HCR 2, Box 474 Tucson AZ 85735
(Street) (City) (State) (Zip)

520-822-5177 - -
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address mandmgallego@cs.com

On Site Manager: Tanya Lombardi-Power
(Name)

HCR 2, Box 469 Tucson AZ 85735
(Street) (City) (State) (Zip)

520-822-2214 - 520-331-7962
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address tutors2@earthlink.net

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Richard Little

(Name)

4837 E. 5th St.

(Street)

Tucson

(City)

AZ

(State)

85711

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Same as above

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☒ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

*Cactus Stellar, Ltd.***UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	—		
302	Franchises	—		
303	Land and Land Rights	—		
304	Structures and Improvements	<i>line fixed</i>		
307	Wells and Springs	<i>city owned</i>		
311	Pumping Equipment	<i>city owned</i>		
320	Water Treatment Equipment	—		
330	Distribution Reservoirs and Standpipes	—		
331	Transmission and Distribution Mains	—		
333	Services	—		
334	Meters and Meter Installations	—		
335	Hydrants	—		
336	Backflow Prevention Devices	—		
339	Other Plant and Misc. Equipment	—		
340	Office Furniture and Equipment	—		
341	Transportation Equipment	—		
343	Tools, Shop and Garage Equipment	—		
344	Laboratory Equipment	—		
345	Power Operated Equipment	—		
346	Communication Equipment	—		
347	Miscellaneous Equipment	—		
348	Other Tangible Plant	—		
	TOTALS	<i>φ</i>		

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME *Cactus Stellar, Ltd*

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	-		
302	Franchises	-		
303	Land and Land Rights	-		
304	Structures and Improvements	<i>line fixed</i>		
307	Wells and Springs	<i>city owned</i>		
311	Pumping Equipment	<i>city owned</i>		
320	Water Treatment Equipment	-		
330	Distribution Reservoirs and Standpipes	-		
331	Transmission and Distribution Mains	-		
333	Services	-		
334	Meters and Meter Installations	-		
335	Hydrants	-		
336	Backflow Prevention Devices	-		
339	Other Plant and Misc. Equipment	-		
340	Office Furniture and Equipment	-		
341	Transportation Equipment	-		
343	Tools, Shop and Garage Equipment	-		
344	Laboratory Equipment	-		
345	Power Operated Equipment	-		
346	Communication Equipment	-		
347	Miscellaneous Equipment	-		
348	Other Tangible Plant	-		
	TOTALS	Ø		

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME *Cactus-Stellar, Ltd.*

BALANCE SHEET

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ <i>5,512.26</i>	\$ <i>7,193.53</i>
134	Working Funds	<i>5,512.26</i>	<i>7,193.53</i>
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ <i>5,512.26</i>	\$ <i>7,193.53</i>
	FIXED ASSETS		
101	Utility Plant in Service	\$	\$
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant		
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$	\$
	TOTAL ASSETS	\$ <i>5,512.26</i>	\$ <i>7,193.53</i>

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Cactus Stellar, Ltd.**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable <i>testing and water bills</i>	\$ \emptyset	\$ \emptyset
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ \emptyset	\$ \emptyset
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ \emptyset	\$ \emptyset
	TOTAL LIABILITIES	\$ \emptyset	\$ \emptyset
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ \emptyset	\$ \emptyset
	TOTAL LIABILITIES AND CAPITAL	\$	\$

COMPANY NAME *Cactus Stellar, Ltd.*

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ <i>6,768.78</i>	\$ <i>6,552.31</i>
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ <i>6,768.78</i>	\$ <i>6,552.31</i>
	OPERATING EXPENSES		
601	Salaries and Wages	\$ <i>—</i>	\$ <i>—</i>
610	Purchased Water	<i>5437.41</i>	<i>3429.70</i>
615	Purchased Power		
618	Chemicals		
620	Repairs and Maintenance	<i>1689.73</i>	<i>70.00</i>
621	Office Supplies and Expense	<i>331.60</i>	<i>74.00</i>
630	Outside Services		
635	Water Testing	<i>425.00</i>	<i>505.00</i>
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	<i>10.00</i>	<i>10.00</i>
675	Miscellaneous Expense	<i>120.00</i>	
403	Depreciation Expense		
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Tax	<i>—</i>	<i>1153.25</i>
	TOTAL OPERATING EXPENSES	\$ <i>8013.74</i>	\$ <i>5241.95</i>
	OPERATING INCOME/(LOSS)	\$	\$
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$ <i>1244.96</i>	\$ <i>1310.36</i>

COMPANY NAME

*Cactus Stellar, Ltd.***SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ ~~Ø~~

Meter Deposits Refunded During the Test Year

\$ ~~Ø~~

COMPANY NAME

Cactus Stellar, Ltd.

WATER COMPANY PLANT DESCRIPTIONWELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
		NA				

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
City of Tucson Los Reales Well		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
NA		NA	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
NA		NA	

COMPANY NAME Cactus Stellar, Ltd.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	NA	
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	—
3/4	17
1	—
1 1/2	—
2	—
Comp. 3	—
Turbo 3	—
Comp. 4	—
Tubo 4	—
Comp. 6	—
Tubo 6	—

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

NA - City of Tucson Treatment

STRUCTURES:

None

OTHER:

COMPANY NAME: Cactus Stellar, Ltd.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY		83357	8461
FEBRUARY		93826	14579
MARCH		134071	18265
APRIL		140210	15953
MAY		221613	26171
JUNE		219543	26279
JULY		174271	19784
AUGUST		158212	18215
SEPTEMBER		156219	17996
OCTOBER		111609	11844
NOVEMBER		88730	8858
DECEMBER		82986	10371
TOTAL			196776

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system.

(If more than one well, please list each separately.)

The City of Tucson is responsible for #'s on their Los Realos Well.

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Cactus Stellar, Ltd. YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$ Ø

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. The City of Tucson owns the well. They send the bill, we read the meters, send the bills, and replace meters/pipes from the main meter. No one is salaried. Monies collected pay the water bill and pay for repairs and income. tax. There is no 'property' to tax.

COMPANY NAME Cactus Stellar, Ltd. YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported Ø
Estimated or Actual Federal Tax Liability Ø

State Taxable Income Reported \$ 6552.31
Estimated or Actual State Tax Liability \$ 366.93

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \$ 1153.25
Amount of Gross-Up Tax Collected -
Total Grossed-Up Contributions/Advances -

See Phil Alred at
AZ. St. Dept. of
Revenue for
total they
figured.
Since July for
back taxes
we are paying

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE

DATE

PRINTED NAME

TITLE

We do not have gross-up
tax refunds.

RECEIVED

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

APR 26 2005

Arizona Corporation Commission
Director of Utilities

VERIFICATION

STATE OF _____
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
<u>Pima</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Tanya Lombardi-Power</u>
COMPANY NAME
<u>Cactus Stellar, Ltd.</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
<u>\$ 16,552.31</u>

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 0
IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)

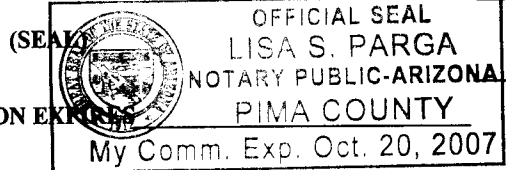
Tanya Power
SIGNATURE OF OWNER OR OFFICIAL
520 822-2214
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14th DAY OF

COUNTY NAME <u>Pima</u>	
MONTH <u>April</u>	20 <u>05</u>



Lisa S. Parga
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

APR 26 2005

AZ Corporation Commission
Director of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Pima</u>	
NAME (OWNER OR OFFICIAL) <u>Tanya Lombardi-Power</u>	TITLE <u>Treasurer</u>
COMPANY NAME <u>Cactus Stellar, Ltd.</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 6,552.31

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 0
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Tanya Lombardi-Power
SIGNATURE OF OWNER OR OFFICIAL

520-822-2214
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

14th

DAY OF

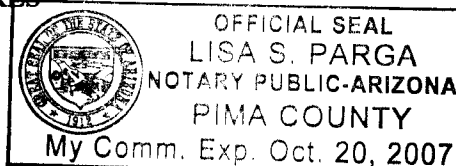
NOTARY PUBLIC NAME <u>Lisa S. Parga</u>	
COUNTY NAME <u>Pima</u>	
MONTH <u>April</u>	, 20 <u>05</u>

(SEAL)

MY COMMISSION EXPIRES

X

[Signature]
SIGNATURE OF NOTARY PUBLIC



Cactus-Stellar Ltd.

HCR 2, Box 469

Tucson, AZ 85735

822-2214

822-5177

Year End Report, 2004

Balance - Jan. 1, 2004	-	\$5,512.26
Metered Water Revenue	-	\$6,552.31
City of Tucson Water	-	\$3,429.70
Backflow check	-	\$ 70.00
Water Testing	-	\$ 505.00
Stamps	-	\$ 74.00
AZ Dept. of Revenue	-	\$1,153.25
Balance - Dec. 30, 2004	-	\$7,193.53

Cactus Stellar did not spend any funds this year on repairs or capital improvements. The only expense was for stamps, backflow check and testing. The Board did hire Classic Plumbing to do the required yearly inspection of our backflow prevention device. We continue to maintain a close working relationship with Classic Plumbing.

In May of 2004, Cactus Stellar was contacted by the Arizona Department of Revenue and notified that we were not, in fact, a tax exempt organization, as we previously thought. Meetings were held here and in Phoenix involving fact-finding, and explanation followed. It was determined that Cactus Stellar was liable for a Water Transaction and Use Tax. Based on previous water receipts, it was decided that Cactus Stellar owed \$4,200 in back taxes. Even though we were given a very lenient time table to pay this amount, the Board has chosen to quickly pay this back and put it behind us. With a payment made this month, we will have a balance remaining of \$1600. The 5.6% tax on current bills pays any future tax.

The water delivery system continues to operate smoothly. The Board is committed to taking care of business in order to ensure that it continues. We have cleaned the dirt and debris in the meters and cut away brush around them where needed. The rain causes quite a buildup.

Thank you for your time.

Cactus-Stellar, Ltd. Board of Directors